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The Aluminum Situation

DEPARTMENT OF ECONOMICS AND STATISTICS **JULY 1989**

INDUSTRY SHIPMENTS INCREASE 2.4% THRU MAY 1989

Total industry net shipments for five months of 1989, reported at 6,930 million pounds, were up 2.4 percent from the five month 1988 total of 6,771 million pounds.

Domestic shipments of 6,026 million pounds decreased 2.6 percent from the five month 1988 total of 6,190 million pounds.

Exports of ingot and mill products of 904 million pounds are up 55.5 percent from five months of 1988. Imports decreased 7.9 percent for the same period.

	1989 5 Mos.	1988 5 Mos.	% Change
Mill Products	5,734	5,509	4.1
Ingot	1,196	1,262	-5.2
Total	6,930	6,771	2.4
Less Exports	904	581	55.5
Domestic Total	6,026	6,190	-2.6

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

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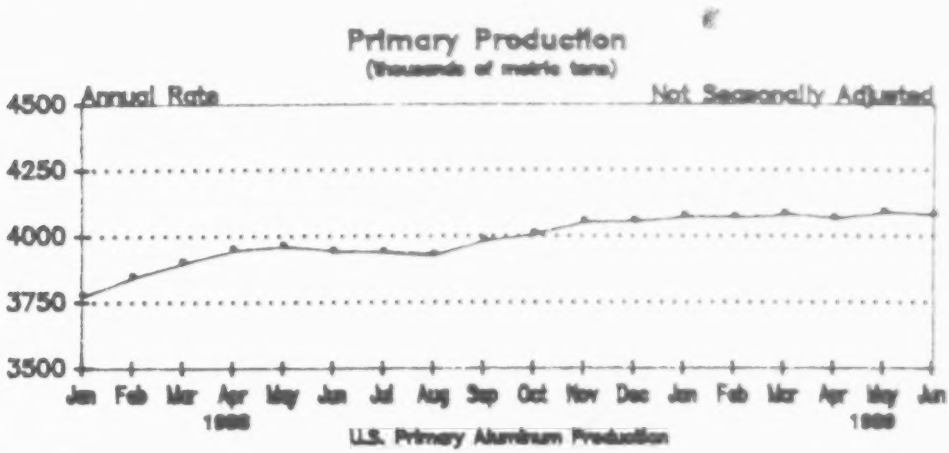
PRIMARY PRODUCTION DAILY RATE AVERAGES 11,173 METRIC TONS

U.S. primary aluminum production averaged 11,173 metric tons daily during June 1989. This compares with an average of 10,768 metric tons a day in June 1988 and 11,208 metric tons a day in May 1989. The annual rate of production in June 1989 was 4,078,230 metric tons compared with 3,941,222 metric tons in June 1988 and 4,090,802 metric tons in May 1989. Actual production in June 1989 was 335,197 metric tons.



This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

The Aluminum Situation
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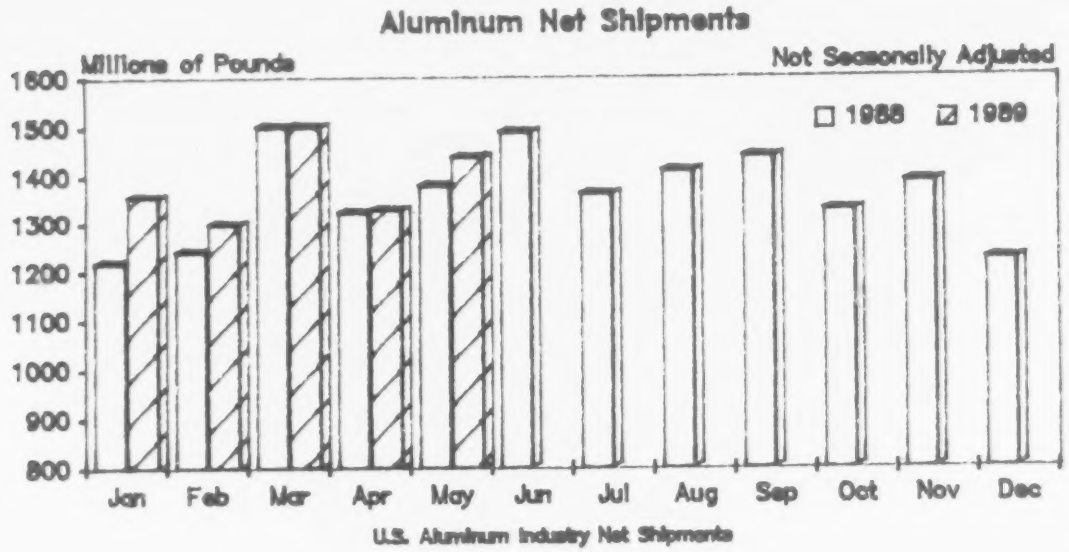
INDUSTRY NET SHIPMENTS INCREASE 2.4 PERCENT

Total industry net shipments for five months of 1989, reported at 6,930 million pounds, were up 2.4 percent from the five month 1988 total of 6,771 million pounds. Domestic shipments of 6,026 million pounds decreased 2.6 percent from the five month 1988 total of 6,190 million pounds.

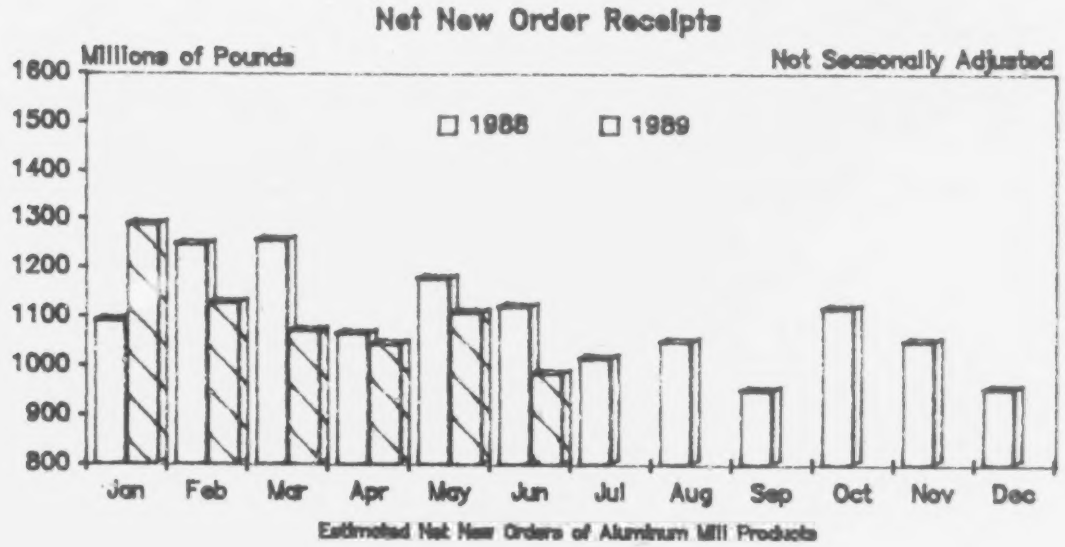


NET SHIPMENTS (Millions of Pounds)	1989 May	1988 May	1989 5 Mos.	1988 5 Mos.	% Change 1989 vs 1988
Sheet	673.0	619.1	3,231.4	2,923.3	10.5
Plate	27.9	27.1	134.0	124.3	7.8
Foil	74.4	82.7	373.9	410.6	-8.9
Rod,Bar & Wire	21.5	23.4	96.0	143.5	-33.1
Elec. Conductor	64.0	57.9	297.9	268.2	11.1
Extruded Shapes,Tube	228.9	233.3	1,140.4	1,121.7	1.7
Powder & Paste	7.8	7.0	37.8	36.3	3.9
Forgings & Impacts	13.2	13.7	67.9	73.4	-7.4
Net Imports of Mill Products (Total) (a)	73.1	68.8	354.3	407.7	-13.1
Total Mill Products	1,183.8	1,133.1	5,733.7	5,509.0	4.1
Ingot	256.1	266.3	1,196.4	1,261.9	-5.2
TOTAL INDUSTRY SHIPMENTS	1,439.9	1,399.4	6,930.1	6,770.9	2.4
Exports	221.3	157.9	904.2	581.4	55.5
TOTAL DOMESTIC SHIPMENTS	1,218.5	1,241.5	6,025.9	6,189.5	-2.6

Source: Bureau of the Census, U.S. Department of Commerce
Note: Cumulative data may include revisions for previous periods
(a) Not included in product data above.

NET NEW ORDER RECEIPTS DOWN 4.8 PERCENT

Estimated net new order receipts of aluminum mill products for six months of 1989, totaling 6,631 million pounds, declining 4.8 percent from a six month 1988 total of 6,964 million pounds. June order receipts of 986 million pounds decreased 11.1 percent from a revised May 1989 figure of 1,110 million pounds.



ORDER RECEIPTS (Millions of Pounds)	1989 June	1988 June	1989 6 Mos.	1988 6 Mos.	% Change 1989 vs 1988
Sheet & Plate, Other	321.2	391.5	2,257.9	2,411.6	-6.4
Can Stock	331.7	350.5	2,121.6	2,073.4	2.3
Foil	89.4	83.8	505.9	537.8	-5.9
Bar, Rod & Wire	29.7	49.6	213.3	241.9	-11.8
Electrical Conductor	36.7	62.7	364.3	404.3	-9.9
Extruded Shapes & Tube	156.9	161.9	1,028.0	1,166.5	-11.9
Powder & Paste	8.6	11.0	60.5	49.1	23.2
Forgings & Impacts	11.7	10.3	79.9	79.3	0.8
Total Mill Products	985.9	1,121.3	6,631.4	6,963.9	-4.8

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
Note: Cummulative data includes revisions for previous periods.
(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES DECLINE 3 MILLION POUNDS

Producer inventories decreased in May 1989 to a reported total of 4,243 million pounds. This represents an 3 million pound decline from the revised April 1989 level of 4,246 million pounds.

Month-End Aluminum Producer Inventories
By Type of Producer
(Figures in Millions of Pounds)

	Total	Ingot	Scrap	All Other
March	4,160	1,500	518	2,143
April	4,246r	1,480r	587r	2,180r
May	4,243	1,428	509	2,307

Source: Bureau of the Census, U.S. Department of Commerce.
(r) Figures revised

CUSTOMER INVENTORIES REPORTED AT 34.4 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of May 31, 1989 was 34.4, up 1.8 percent from inventories reported at the end of April 1989.

Month-End Aluminum Consumer Inventories
(Average Number of Days)

March	35.8
April	33.8
May	34.4

Source: Aluminum Association - Customer Inventory Position Survey

U.S. IMPORTS & EXPORTS (Millions of Pounds)		1989* May	1988 May	1989* 5 Mos.	1988 5 Mos.	% Change 1989 vs 1988
Imports	Mill Products	86.2	76.2	412.0	426.3	-3.4
	Ingot	167.0	202.3	949.9	1,052.9	-9.8
	Total	253.2	278.5	1,361.9	1,479.2	-7.9
	Scrap (+ dross)	38.9	46.1	194.6	191.1	1.8
	Grand Total	292.1	324.6	1,556.5	1,670.3	-6.8
Exports	Mill Products	145.7	82.0	496.3	345.1	43.8
	Ingot	75.6	75.9	407.9	236.3	72.6
	Total	221.3	157.9	904.2	581.4	55.5
	Scrap	105.7	90.1	547.3	358.1	52.8
	Grand Total	327.0	248.0	1,451.5	939.5	54.5
Net Imports		-34.9	76.6	105.0	730.8	-85.6

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Data may not be comparable to previous years due to changes in trade classifications effective January 1, 1989